



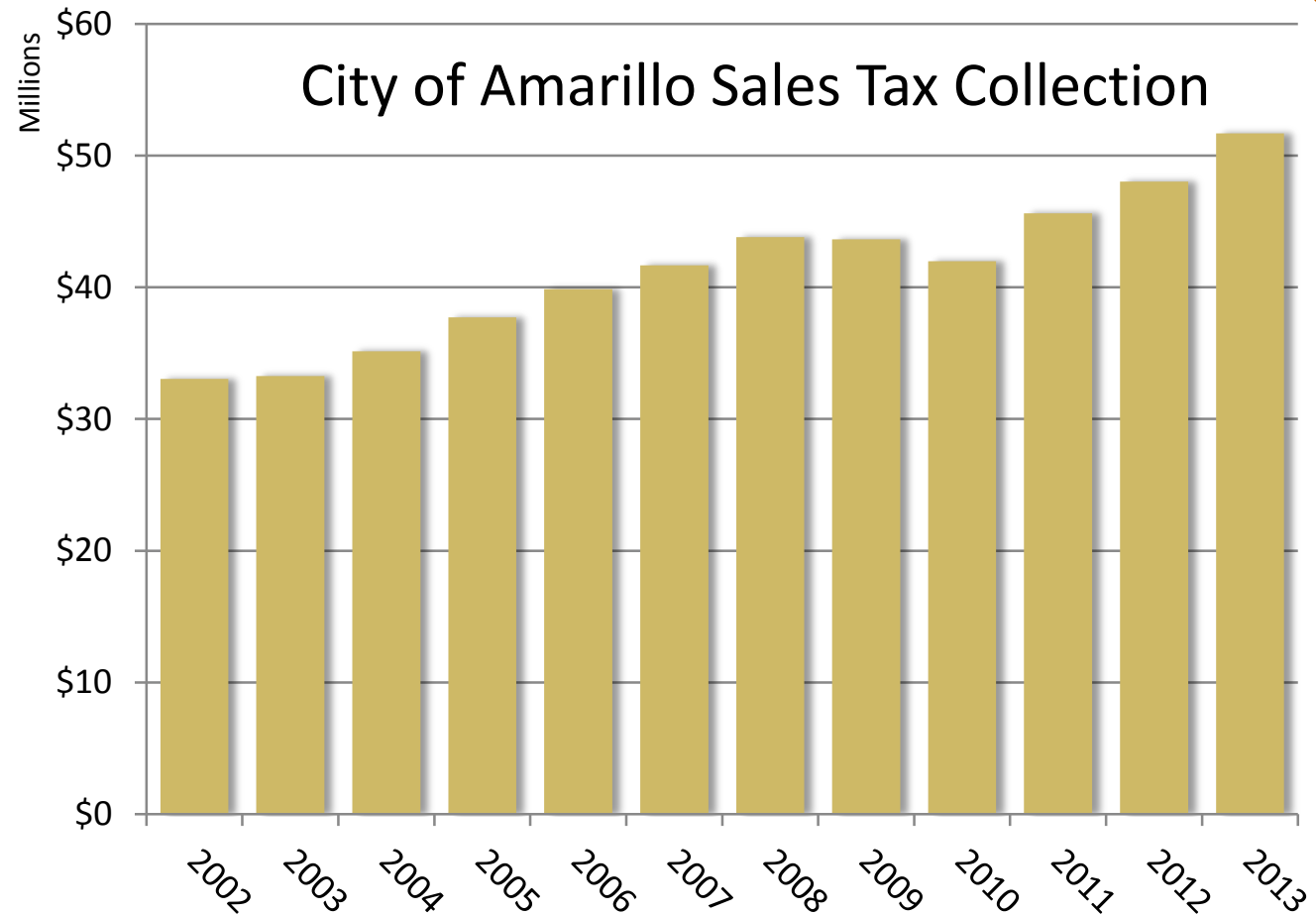
# The Amarillo Economy

## August 2014



# Local Economy - Sales Tax

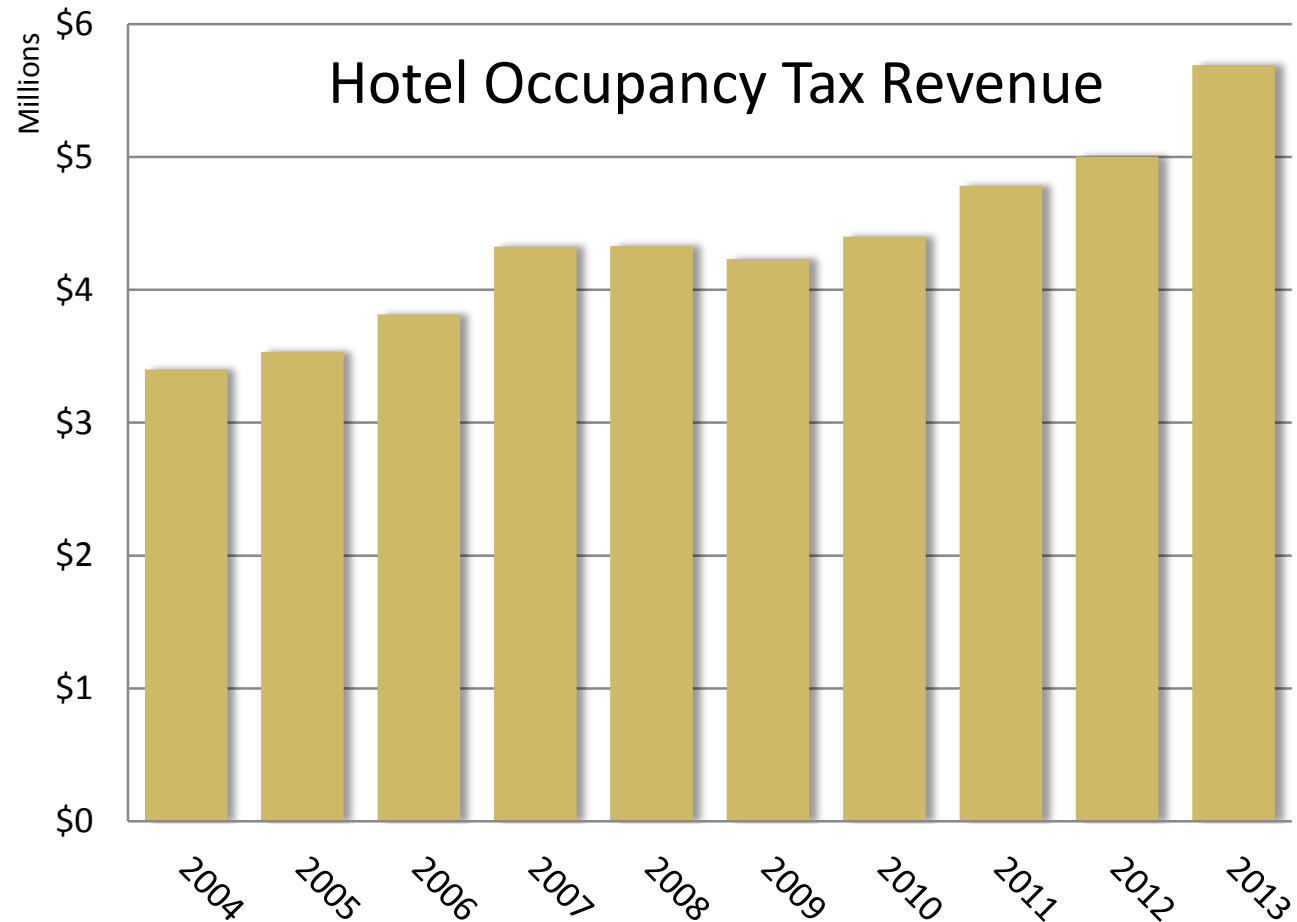
- 2011, 2012, and 2013 were record years for sales tax collection
- 2013 sales tax collection was \$51,680,575
- 2013 sales tax collections were up 7.63% over 2012
- Projecting 3% increased over normalized prior year



# Local Economy – Hotel Occupancy Tax Receipts

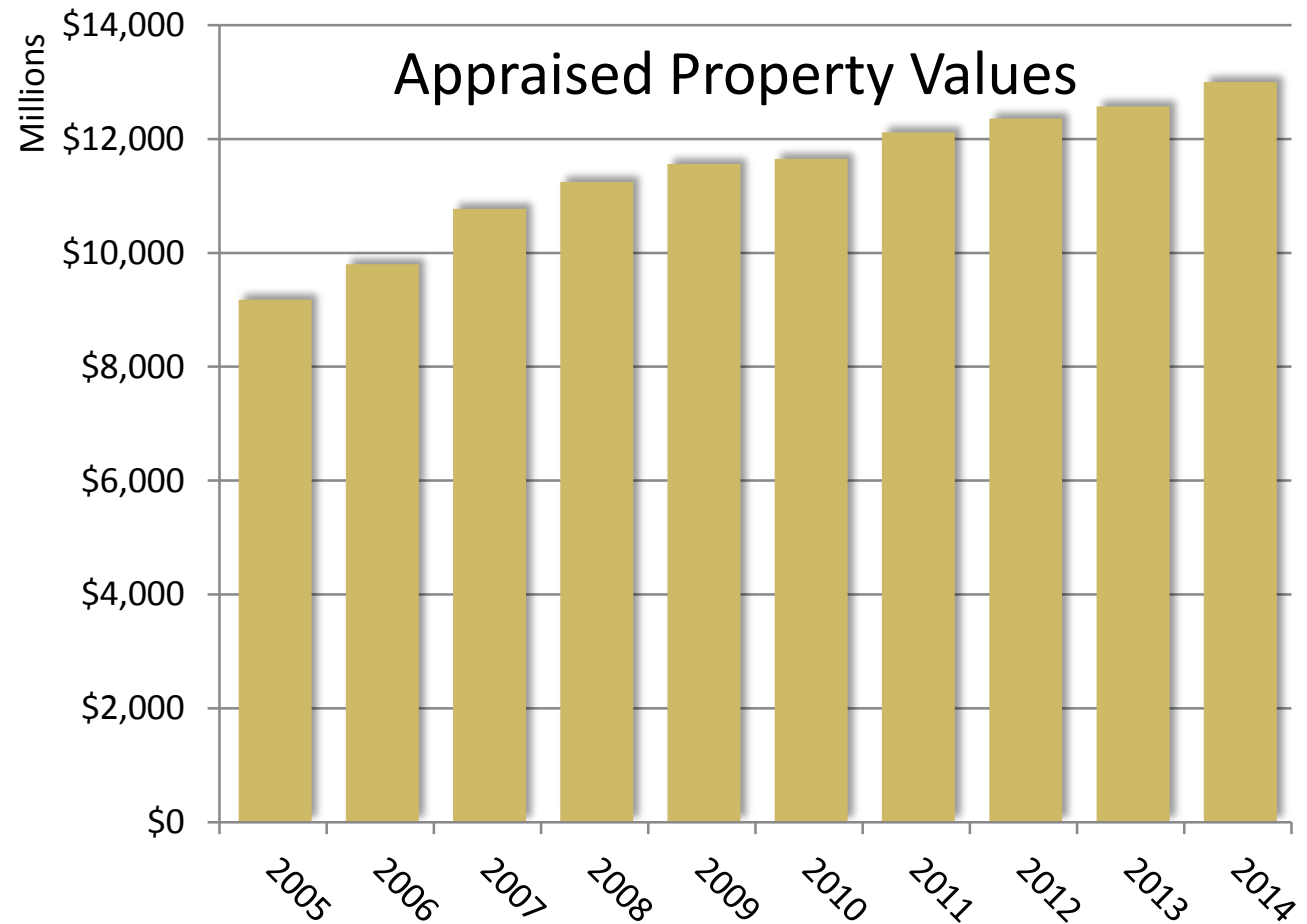
- 2013 HOT receipt increase of 13.77% over 2012
- 2.94% avg. annual revenue increase over last five years
- Room Count up 32.7% since 1998
- ADR up 44.6% same period
- New Properties are not driving down rates or occupancy

Source: Amarillo CVC



# Local Economy – Appraised Values (PRAD)

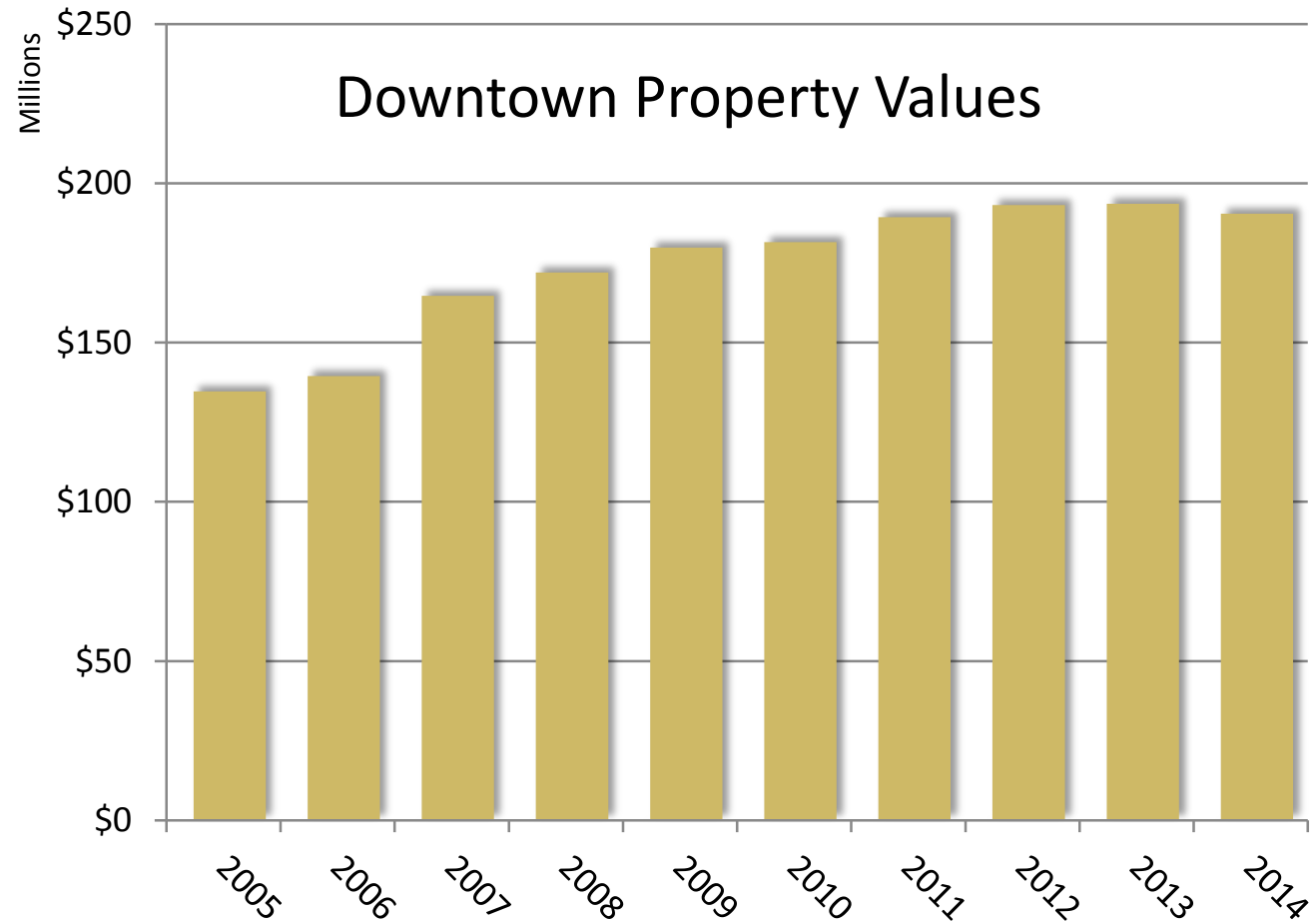
- Steady & Manageable Growth
- 2011 building permits - \$276 million construction value
- 2012 building permits - \$440.9 million construction value
- 2013 building permits - \$500.7 million construction value



# Local Economy - TIRZ Values

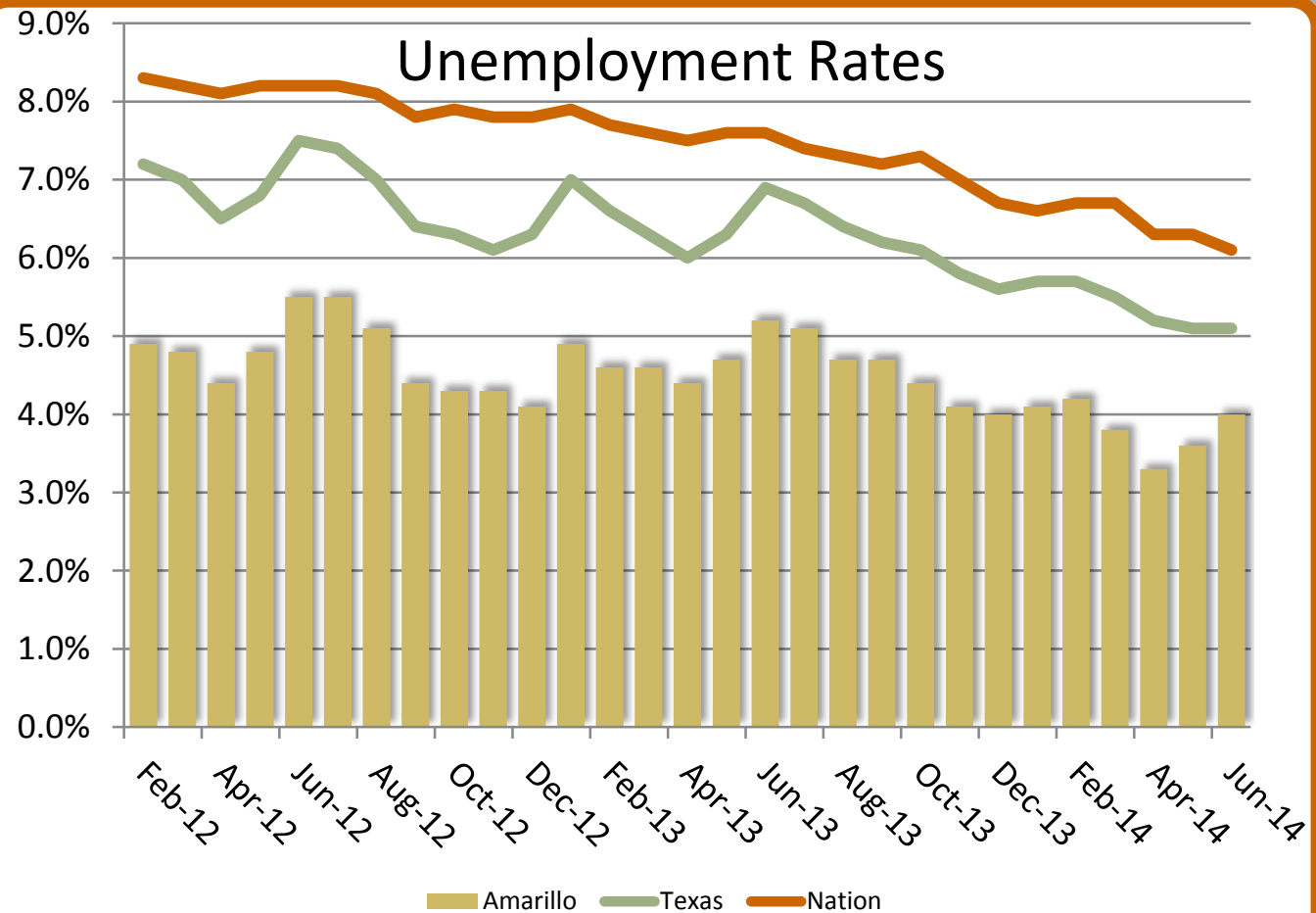
(taxable value)

- TIRZ # 1 = Amarillo Central Business District and Surrounding Area
- 36.52% growth in valuation since creation. (2007)
- 4.14% average annual growth over last nine years
- \$50.9 million increase in private value

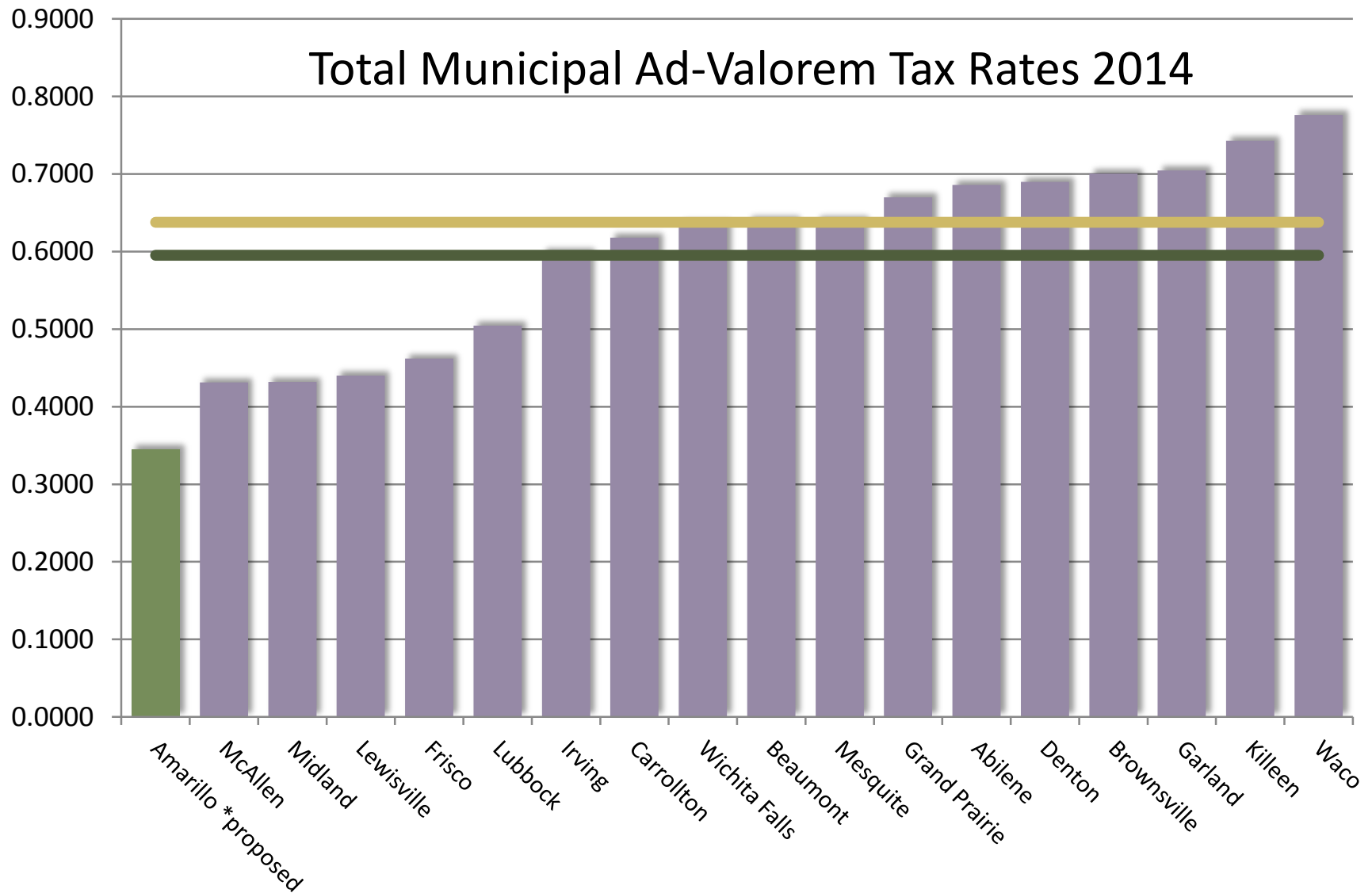


# Local Economy - Unemployment Rates

- Amarillo continues to have one of the lowest rates in the state
- At **4.0%** in June 2014, Amarillo is well below the Texas' rate of **5.1%** and the national rate of **6.1%**

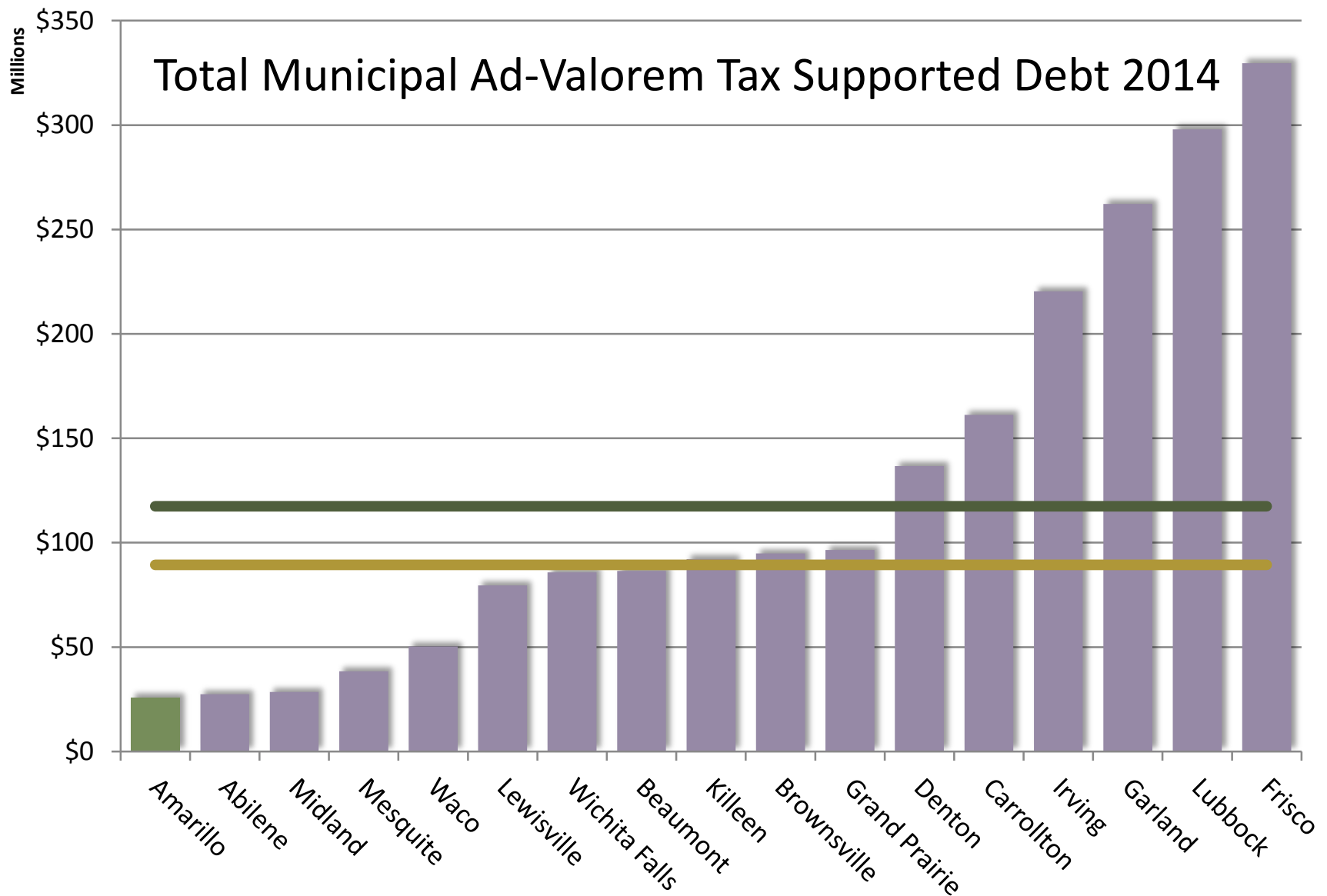


# Total Municipal Ad-Valorem Tax Rates 2014



"2014 Tax & Debt Survey." TML Surveys. Texas Municipal League, 2014. Web. 28 April 2014  
<http://www.tml.org/surveys.asp> and Cities' CAFR's and budgets

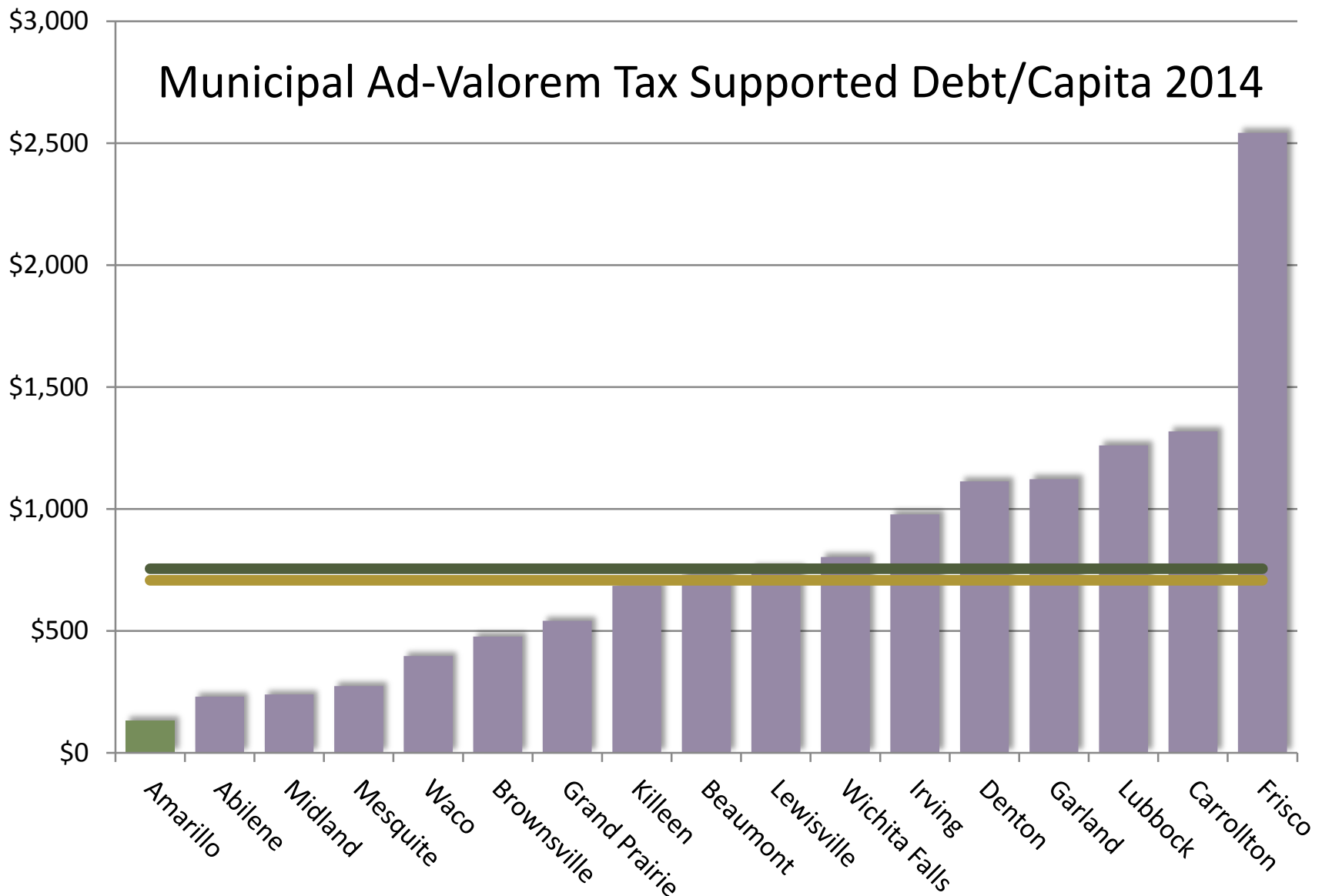
Gross Tax Rate Average Median



"2014 Tax & Debt Survey." TML Surveys. Texas Municipal League, 2014. Web. 28 April 2014 <<http://www.tml.org/surveys.asp>> and Cities' CAFR's and budgets

■ Total General Fund Debt    — Average    — Median

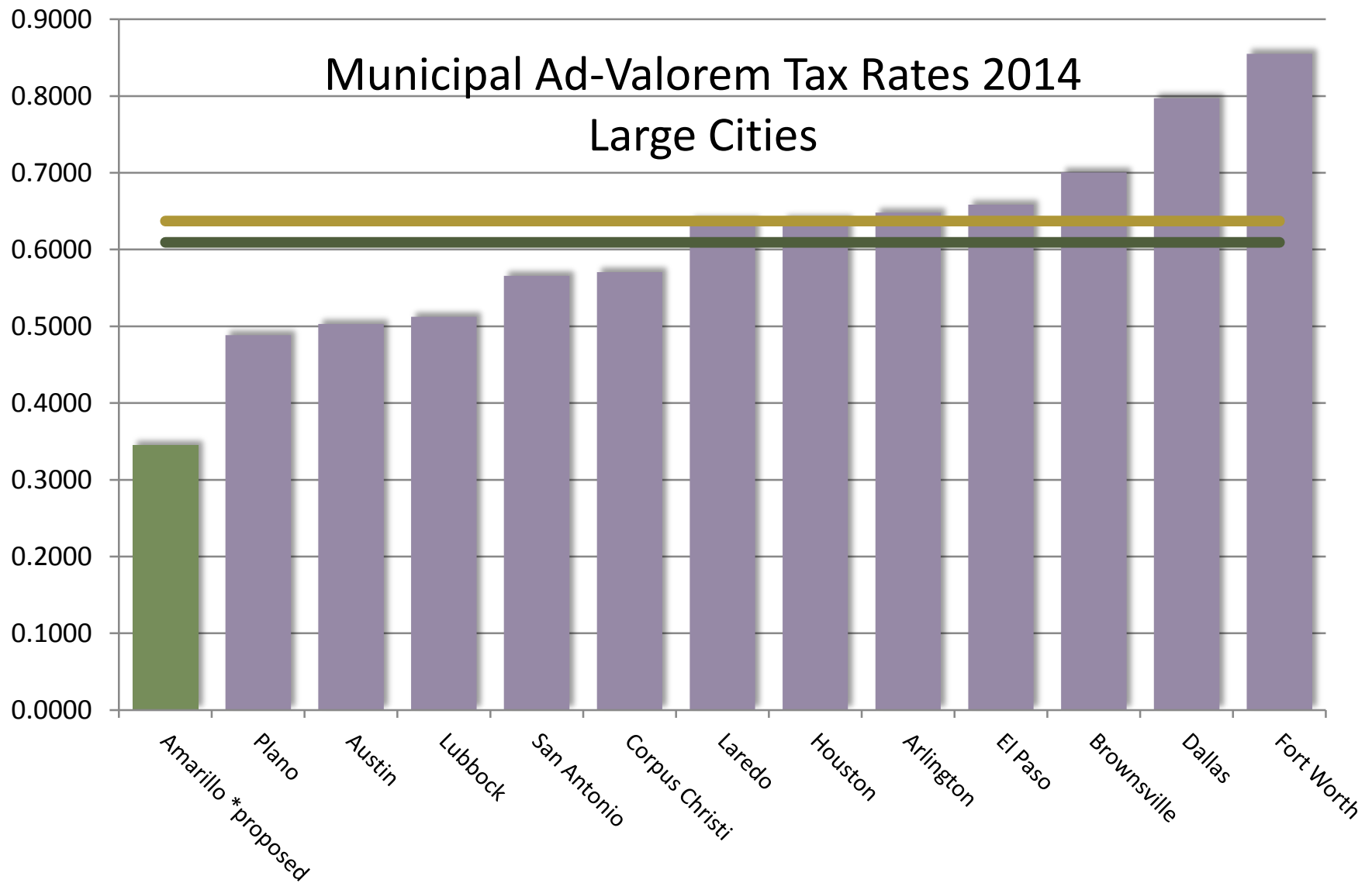
# Municipal Ad-Valorem Tax Supported Debt/Capita 2014



"2014 Tax & Debt Survey." TML Surveys. Texas Municipal League, 2014. Web. 28 April 2014. <<http://www.tml.org/surveys.asp>> and Cities' CAFR's and budgets

■ Tax Supported Debt/Capita ■ Average ■ Median

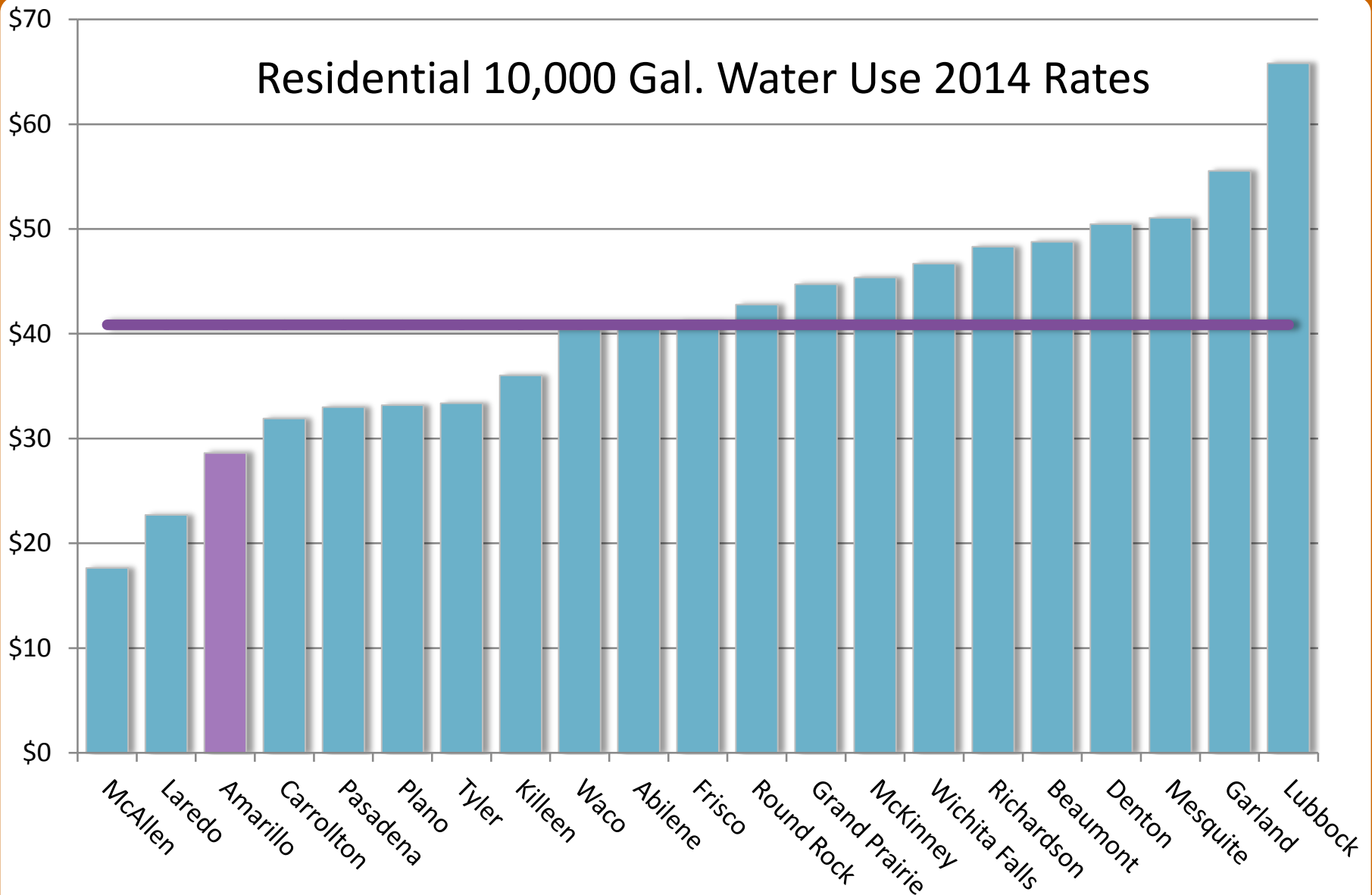
## Municipal Ad-Valorem Tax Rates 2014 Large Cities



"2014 Tax & Debt Survey." TML Surveys. Texas Municipal League, 2014. Web. 28 April 2014. <<http://www.tml.org/surveys.asp>> and Cities' CAFR's and budgets

■ Gross Tax Rate    — Average    — Median

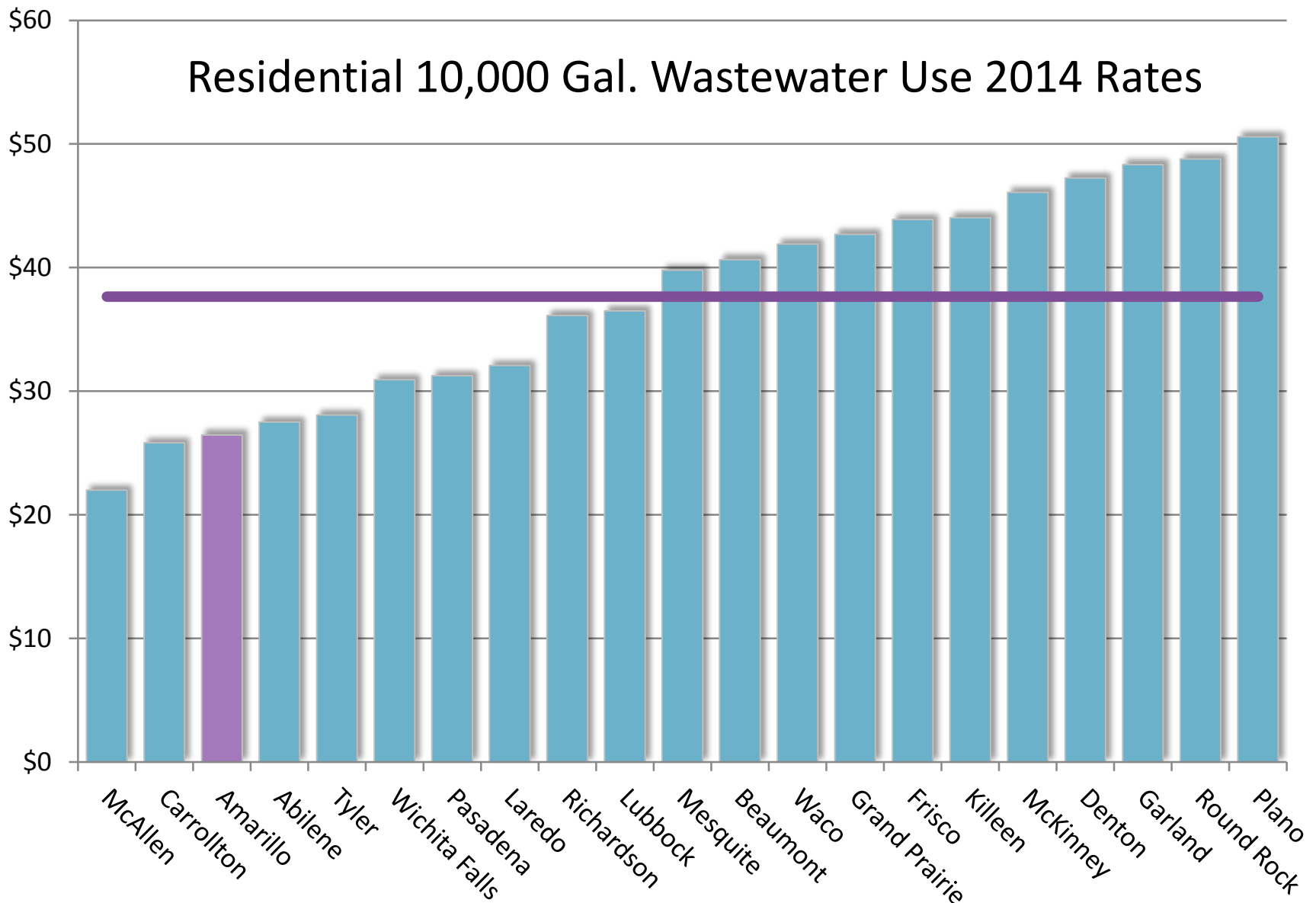
## Residential 10,000 Gal. Water Use 2014 Rates



"2014 TML Water and Wastewater Survey Results." TML Surveys. Texas Municipal League, 2014. Web. 31 July 2014 <<http://www.tml.org/surveys.asp>>.

10,000 Gal. AVG for 10,000 gal.

## Residential 10,000 Gal. Wastewater Use 2014 Rates

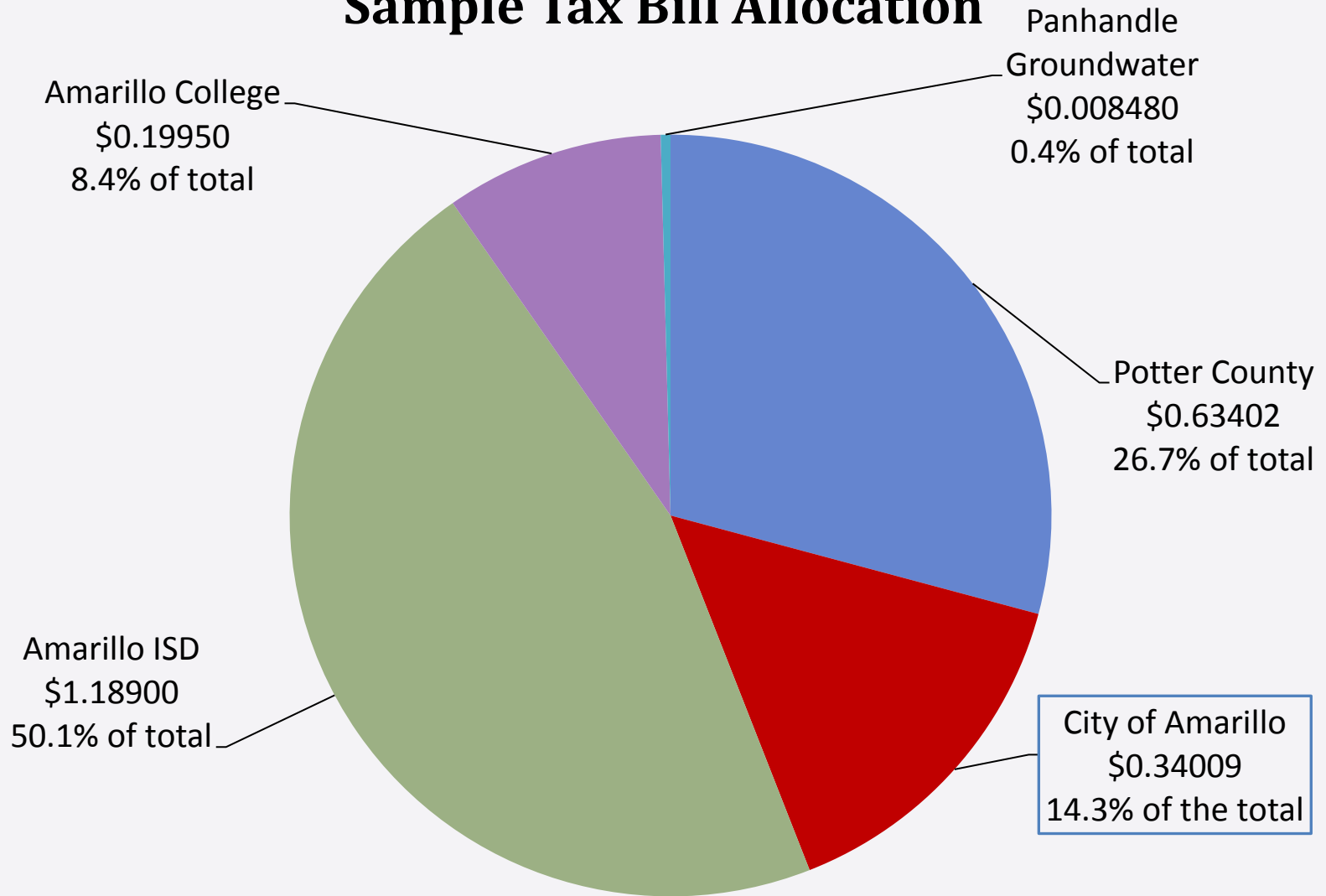


"2014 TML Water and Wastewater Survey Results." *TML Surveys*. Texas Municipal League 2014. Web. 31 July 2014 <<http://www.tml.org/surveys.asp>>.

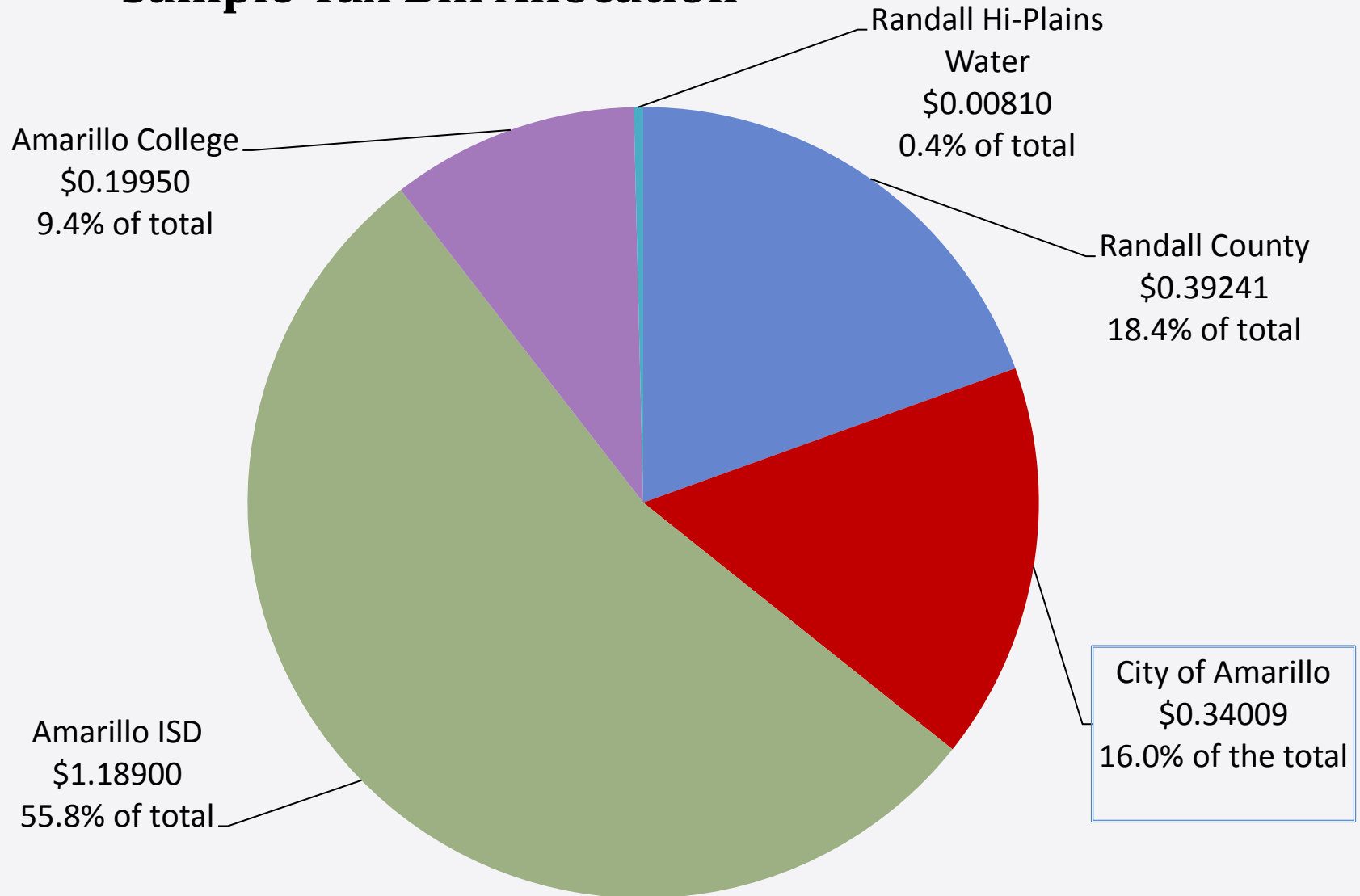
10,000 Gal

AVG for 10,000 gal.

# Amarillo/Potter County Sample Tax Bill Allocation



# Amarillo/Randall County Sample Tax Bill Allocation



# Amarillo – Economic Summary



**The City of Amarillo  
enjoys excellent  
financial conditions  
and standing.**

- **\$0.34509 Total Ad-Valorem Tax Rate –lowest amongst 17 peer cities\* (proposed rate)**
- **Amarillo has a AAA rating on general obligation debt, water and sewer revenue debt and drainage utility revenue debt.**
  - **1 of only 8 Cities in Texas with AAA rating on general obligation debt, and water and sewer revenue debt.**

# Amarillo –Economic Summary

- Standard & Poor's 2014 Ratings
  - Standard & Poor's Rating Services assigned its 'AAA' rating, with a stable outlook, to Amarillo, Texas' series 2014....”
  - “The rating reflects our assessment of the following factors for the city
    - Adequate economy, which serves as the anchor for the broad and diverse Amarillo Metropolitan Statistical Area
    - Very strong budgetary flexibility...
    - Very strong liquidity providing very strong cash levels to cover both debt service and expenditures
    - Strong management with good financial policies; and
    - Very strong debt and contingent liabilities position”

Standard & Poor's, January 24, 2014

**STANDARD  
& POOR'S**



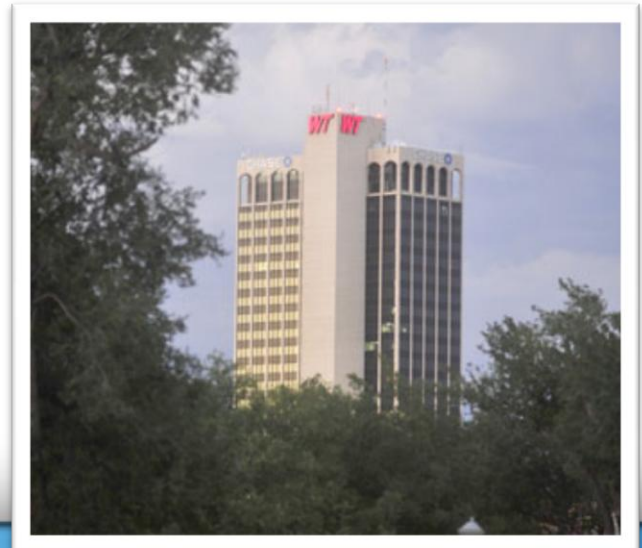
# Amarillo – Employment Summary

- Diversified Local & Regional Employment Base:
  - Bell Helicopter Textron – Military and Civilian Aircraft
  - Regional Medical Center
    - BSA Hospital
    - Northwest Texas Hospital
    - Texas Tech University Health Sciences Center
    - Texas Tech University School of Pharmacy



# Amarillo – Employment Summary

- Diversified Local & Regional Employment Base:
  - Regional Educational Center
    - Amarillo College
    - West Texas A&M University
    - Texas A&M Experiment Station
    - USDA – Agricultural Research Service
    - Texas A&M Veterinary Diagnostic Laboratory
    - Texas Tech University Engineering Masters Degree Program



# Amarillo – Employment Summary

- Diversified Local & Regional Employment Base:

- AIG Insurance
- Atmos Energy
- Xcel Energy/Southwestern Public Service Company
- Pacific Cheese Company
- Affiliated Foods, Inc.
- Ben E. Keith
- Tyson Fresh Meats
- Pantex
- MWI Micro Beef
- Lindsay Manufacturing

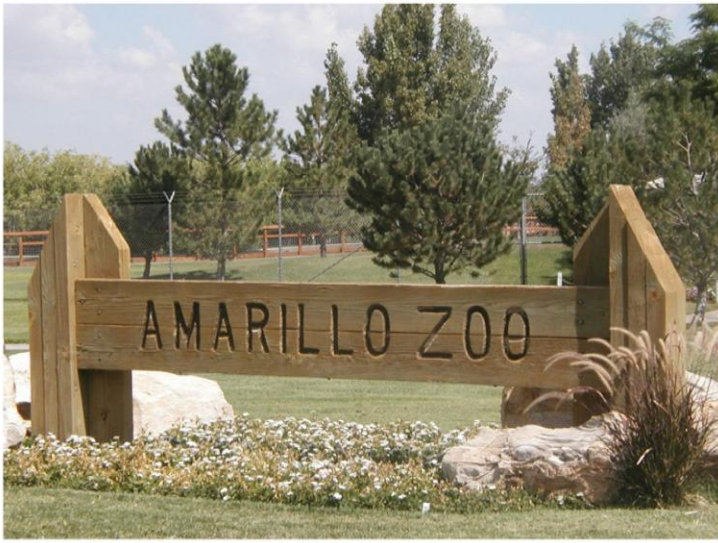


# Amarillo – Quality of Life

- Quality of Life Rankings
  - #38 Forbes “Best Place for Business & Careers” source: [forbes.com](http://forbes.com)
  - Amarillo ranks #154 out of 381 MSA’s in the 2013 Policom Survey; # 13 in Texas. Source: [Policom.com](http://Policom.com)
  - #10 on Wallet Hub’s 2014 “Best Cities for families” Source: [WalletHub.com](http://WalletHub.com)
  - #14 on Wallet Hub’s 2014 “Best Cities to Start a Business” Source: [WalletHub.com](http://WalletHub.com)
  - #85 of 360 Metro Areas in the nation in “Housing Affordability Survey” source: [Demographia.com](http://Demographia.com)
  - Fodor’s Travel ranks Palo Duro Canyon one of “America’s Ten Best State Parks”



# Amarillo –Quality of Life



# Amarillo –Quality of Life



# Conclusion

- Amarillo enjoys an enviable financial position amongst Texas and U.S. Cities
- All indicators point to a strong local/regional economy
  - Sales Tax
  - HOT
  - Appraised Values
  - Building Permits
- Amarillo's success noted by national authorities
  - Milken Survey
  - Policom Corporation
  - Fodor's
  - Wallet Hub